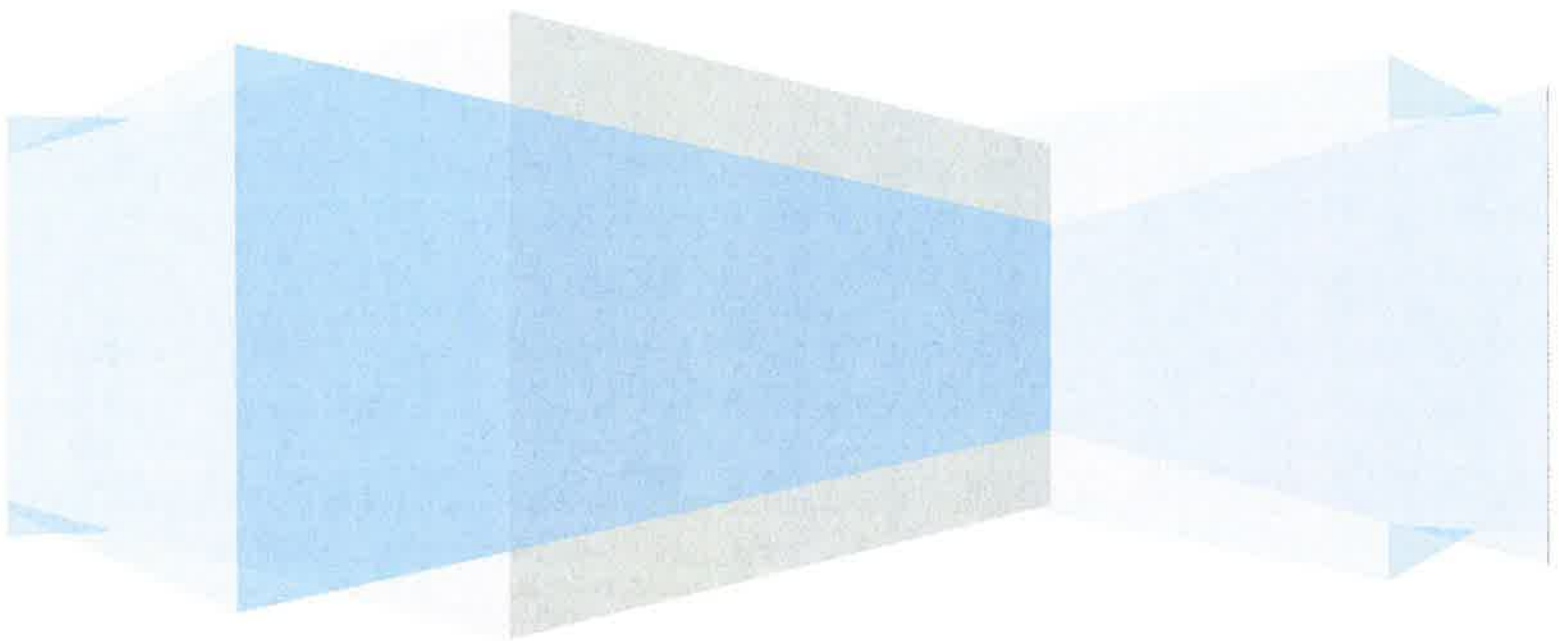
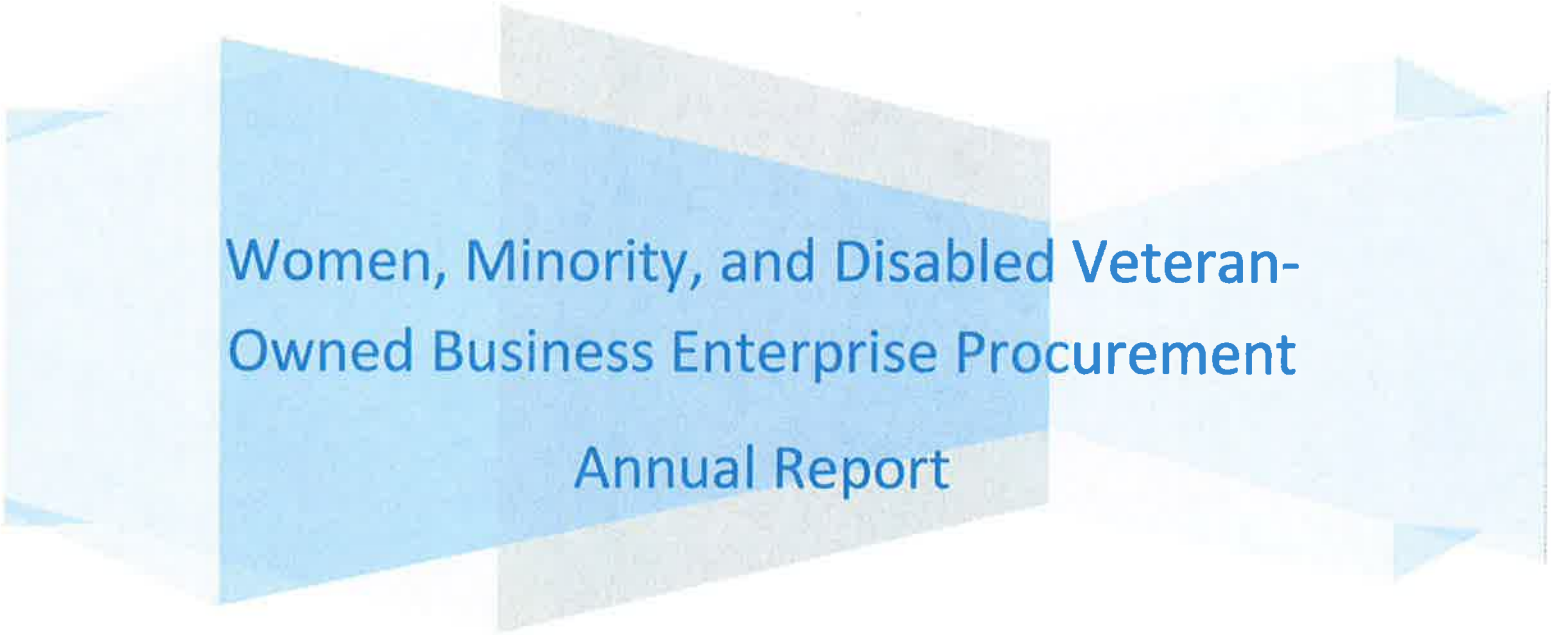


**San Gabriel Valley Water Company**

# **Supplier Diversity**

**2012 Annual Report and 2013 Plan**





# Women, Minority, and Disabled Veteran- Owned Business Enterprise Procurement Annual Report

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## **Preface**

In April 2004, San Gabriel Valley Water Company (“San Gabriel”) joined the other five California investor-owned water companies with more than \$25 million in annual revenues (jointly referred to as the “Water Companies”) and signed a memorandum of intent (“MOI”), voluntarily committing to implement a water industry Utility Supplier Diversity Program (“USDP”).

For the past eight years, San Gabriel and the other Water Companies submitted annual reports on their USDP activities and results based on the terms of the MOI, which did not necessarily coincide with the terms of G.O. 156.

Decision 11-05-019 in Rulemaking 09-07-027, the OIR updating G.O. 156, required water companies to be subject to, and submit annual reports in accordance with the terms of G.O. 156. Submitted herewith is San Gabriel’s first USDP Annual Report in conformance with the requirements of G.O. 156. However, pursuant to an agreement with the Commission, populating tables with Standard Industrial Classification code (SIC) data and Spend by Product and Service Categories are not included in this year’s report and will not commence until the company’s 2014 annual report.

### **9.1.1. Description of WMDVBE Program Activities – Internal and External**

#### **Internal Activities**

Since the issuance of D.11-05-019, San Gabriel has been working to modify its vendor profiles to capture all information required to comply with GO 156 reporting requirements. San Gabriel's President, Robert W. Nicholson, regularly communicates the importance of the program and the goals established by the company directly to the company's management staff. This level of direct participation from the highest level of the company and throughout the organization has served to align the company's purchasing activities with the goals of the USDP.

#### **External Activities**

The company's Purchasing Agent and Mr. Nicholson, coordinate on a regular basis with other water utilities to exchange information involving qualified vendors and contractors.

San Gabriel, in co-operation with the California Water Association (CWA) and other water companies, again sponsored Business Opportunity Fairs in both Southern and Northern California. The purpose of these events was to educate our current and potential prime contractors in the area of Supplier Diversity, and to bring those suppliers together with diversity vendors for possible subcontracting opportunities.

At each outreach event, we proactively promote attention to the Supplier Diversity page on our website that provides information to prospective contractors about the Company's USDP. It also includes a link to the Clearinghouse website. Information about the water companies' USDPs and contact information for San Gabriel is included in CWA promotional material distributed at outreach events throughout the year.

Following are outreach and other events attended by San Gabriel and/or CWA representatives during 2012:

## **2012 Outreach Activities**

### **January 2012**

- USDP Monthly Meeting @ Anaheim, January 6, 2012
- CWA Director's Meeting @ San Jose, January 12, 2012
- CUDC Monthly Meeting @ Livermore, January 13, 2012
- SAPCOC Awards Dinner @ Sacramento, January 20, 2012
- CPUC/State Legislators @ Los Angeles, January 20, 2012
- LBA Luncheon Awards @ Los Angeles, January 24, 2012

### **February 2012**

- USDP Capacity Building and Tech Support @ Anaheim, February 2, 2012
- LA Chp Elite SDVOB Vet Small Business Expo @ Long Beach, February 8, 2012
- CWS Director's Meeting @ San Francisco, February 10, 2012
- CUDC Monthly Meeting @ WebEx, February 10, 2012
- USDP Monthly Meeting @ San Jose, February 15, 2012
- SCMSDC Minority Business Opportunity Day @ City of Industry, February 23, 2012
- Business Matchmaking Opportunity @ San Jose, February 23, 2012
- MWD Connet 3 MET @ Monrovia, February 24, 2012

### **March 2012**

- American Indian 26<sup>th</sup> Annual Res. @ Las Vegas, March 1, 2012
- CPUC/Joint Utilities/PG&E Diverse & Small Business Contracting @ Sacramento, March 8, 2012
- CUDC Monthly Meeting @ Irwindale, March 9, 2012
- CWS Director's Meeting @ Manhattan Beach, March 15, 2012
- CPUC Capacity Building & Tech Support, San Francisco, March 19, 2012
- USDP Monthly Meeting @ W. Covina, March 21, 2012
- CALBCC African American Leadership @ Sacramento, March 29 – 31, 2012

### **April 2012**

- NCMSDC Annual Gala @ San Francisco, April 6, 2012
- USDP – Capacity Building & Tech. Support @ Anaheim, April 11, 2012
- CWA Director's Meeting @ Ontario, April 12, 2012
- CPUC/AT&T Small Business Expo @ Irvine, April 12, 2012
- CUDC Monthly Meeting @ WebEx, April 13, 2012
- Joint Utilities Quarterly Meeting @ San Francisco, April 17, 2012
- AABE 35<sup>th</sup> Annual Conference @ Long Beach, April 17 – 20, 2012
- USDP Monthly Meeting @ San Francisco, April 18, 2012

- CPUC Procurement Expo @ Inland Empire, April 20, 2012
- Greenlining Economic Summit @ Los Angeles, April 20, 2012
- SDBDC Supplier Diversity Week @ San Diego, April 30, 2012

#### May 2012

- ABA Small Business Exchange @ City of Industry, May 10, 2012
- CUDC Monthly Meeting @ San Francisco, May 11, 2012
- CAHCC Annual Legislative Summit @ Sacramento, May 14 – 15, 2012
- KTP DVBE Business Alliance @ Los Angeles, May 14 – May 15, 2012
- CWA Director's Meeting @ Valencia, May 15, 2012
- USDP Monthly Meeting @ Downey, May 16, 2012
- EEI Annual Diversity Conference @ Palm Springs, May 23 - 25, 2012
- CWA Water Awareness Day @ San Francisco, May 24, 2012

#### June 2012

- Black Business Council Annual Economic Conference @ Oakland, June 6, 2012
- CWA Spring Conference @ Sacramento, June 6 – 8, 2012
- CUCD Monthly Meeting @ WebEx, June 8, 2012
- California Small Business Day/California Legislature @ Sacramento, June 11, 2012
- AICOC Autry Museum Luncheon @ Los Angeles, June 14, 2012
- WBENC 2012 National Conference @ Orlando, FL, June 19 – 21, 2012
- CUDC Advertising & Media Forum @ Los Angeles, June 22, 2012
- USDP Monthly Meeting @ San Jose, June 26, 2012
- USDP Annual Contractors Meeting @ San Ramon, June 27, 2012

#### July 2012

- CWA Budget Planning @ Yosemite, July 10 – 11, 2012
- CUDC Monthly Meeting @ San Francisco, July 13, 2012
- Joint Utilities Meeting @ Coronado, July 17, 2012
- SDVOB National Convention @ Las Vegas, July 18 – 19, 2012
- AICOC Annual Business Expo @ Rancho Mirage, July 22 – 24, 2012
- USDP Monthly Meeting @ Coronado, July 25, 2012

#### August 2012

- CWA Director's Meeting @ Coronado, August 9, 2012
- NCMSDC Opportunity Expo @ Santa Clara, August 9, 2012
- CALBCC Ron Brown Annual Conference @ San Diego, August 9 – 11, 2012
- CUDC Monthly Meeting @ WebEx, August 10, 2012
- CAHCC Annual Convention @ San Diego, August 15 – 17, 2012
- LBA Conference and Award Gala @ Burbank, August 16, 2012

- USDP Monthly Meeting @ San Francisco, August 22, 2012
- New Conn Symposium Diverse Financial Services @ Pasadena, August 24, 2012
- Elite SDVOB/SL Hare Honoring Gwen Moore @ Pasadena, August 24, 2012

#### September 2012

- WBEC West Annual Conference @ San Diego, September 6 – 7, 2012
- CWA Director's Meeting @ Sacramento, September 6, 2012
- USDP Monthly Meeting @ Fontana, September 11, 2012
- USDP Annual Contractor Meeting @ Rancho Cucamonga, September 12, 2012
- US Hispanic Chambers National Conference @ Los Angeles, September 16 – 18, 2012
- CUDC Monthly Meeting @ Los Angeles, September 21, 2012
- Congressional Black Caucus Annual Conference @ Washington, DC, September 19 – 22, 2012

#### October 2012

- CAPCC & ABA Statewide Conference, @ Los Angeles, October 1 – 2, 2012
- Diversity Reception – Law Firms @ Los Angeles, October 3, 2012
- CWA Director's Meeting @ Fontana, October 3, 2012
- CPUC En Banc @ Los Angeles, October 4, 2012
- Joint Utilities Meeting @ San Ramon, October 8, 2012
- BBA Procurement Exchange Summit @ Los Angeles, October 11, 2012
- Black Economic Council Bridge Builder Luncheon @ Oakland, October 16, 2012
- USDP Monthly Meeting @ San Jose, October 17, 2012
- CPUC/CWA Small Business Expo @ Mountain View, October 18, 2012
- SDVOB SD Annual Network & Fundraiser @ San Diego, October 23, 2012
- NMSDC Annual Conference @ Denver, CO, October 28 – 31, 2012
- CWA Annual Conference @ Monterey, October 30 – 31, 2012

#### November 2012

- CWA Director's Meeting @ Monterey, November 1, 2012
- CUDC Monthly Meeting @ Ontario, November 9, 2012
- USDP Monthly Meeting @ Ontario, November 9, 2012
- Regional Hispanic Institute, Mujeres del 2012 Awards Gala @ Long Beach, November 10, 2012
- NARUC Annual Conference @ Baltimore, MD, November 11 – 14, 2012
- AICOC Heritage Month Luncheon @ Anaheim, November 15, 2012
- LA Elite SDVOB @ Downey, November 29, 2012

#### December 2012

- Region Event Business Matchmaking @ Pasadena, December 13, 2012
- CUDC Monthly Meeting @ WebEx, December 14, 2012
- USDP Monthly Meeting @ San Dimas, December 20, 2012



### 9.1.2. Summary of WMDVBE Purchases/Contracts

SUMMARY OF WMDVBE PURCHASES AND/OR CONTRACTS, WITH BREAKDOWN BY ETHNICITY					
		Direct \$	Sub \$	Total \$	%
Minority Men	Asian-Pacific	\$ 1,605,189	0	\$ 1,605,189	5.3%
	Black	\$ 645	0	\$ 645	0.0 %
	Hispanic	\$ 410,418	0	\$ 410,418	1.3 %
	Native American				
	Other				
	Total Minority Men	\$ 2,016,252	0	\$2,016,252	6.6%
Minority Women	Asian-Pacific	\$ 48,720	0	\$ 48,720	0.2 %
	Black	\$ 104	0	\$ 104	0.0 %
	Hispanic	\$ 469,381	0	\$ 469,381	1.5 %
	Native American				
	Other				
	Total Minority Women	\$ 518,205	0	\$ 518,205	1.7 %
Total Minority Business Enterprises (MBE)		\$ 2,534,457	0	\$ 2,534,457	8.3 %
Total Women Business Enterprises (WBE)		\$ 751,652	0	\$ 751,652	2.5 %
Subtotal Women, Minority Business Enterprises (MWBE)		\$ 3,286,109	0	\$ 3,286,109	10.8 %
Service Disabled Veteran Business Enterprises (DVBE)		\$ 231,280		\$ 231,280	0.7 %
<b>TOTAL WMDVBE</b>		<b>\$ 3,517,389</b>	<b>0</b>	<b>\$ 3,517,389</b>	<b>11.5 %</b>

<b>GROSS PROCUREMENT</b>	\$ 71,149,381
<b>EXCLUSIONS</b>	\$ 40,659,444
<b>NET PROCUREMENT</b>	\$ 30,489,937

### 9.1.2. Summary of WMDVBE Purchases/Contracts (Continued)

Female, Minority and Service Disabled Veteran Attorneys With Majority Firms		
2012 Direct Legal Spend: \$1,135,944		
Total Minority Men	\$23,217	2.7%
Total Minority Women	\$45,619	4%
Total Non-Minority Women	\$127,387	11.2%
Total Service Disabled Veteran	0	
TOTAL DIVERSITY SPEND	\$196,223	17.3%

UTILITY SUPPLIER DIVERSITY PROGRAM PROCUREMENT BY PRODUCT AND SERVICE CATEGORIES

			Products		Services		TOTAL	
			\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	Direct						
	Black	Direct						
	Hispanic	Direct						
	Native American	Direct						
	Other	Direct						
	Total Minority Men	Direct						
Minority Women	Asian-Pacific	Direct						
	Black	Direct						
	Hispanic	Direct						
	Native American	Direct						
	Other	Direct						
	Total Minority Women	Direct						

<b>Total Minority Business Enterprises (MBE)</b>	Direct							
<b>Women Business Enterprises (WBE)</b>	Direct							

<b>Subtotal Women, Minority Business Enterprises (MWBE)</b>	Direct							
<b>Service Disabled Veteran Business Enterprises (DVBE)</b>	Direct							
<b>TOTAL WMDVBE</b>	Direct							
<b>Gross Procurement</b>								
<b>Exclusions</b>								
<b>Net Procurement</b>								
<b>Total Product Procurement</b>								
<b>Total Service Procurement</b>								
<b>Net Procurement</b>								



UTILITY SUPPLIER DIVERSITY PROGRAM PROCUREMENT BY STANDARD INDUSTRY CODE-DETAIL

SIC Category	S / %	Asian				Black				Hispanic				Native-Amér.				Other				Total Minority Men	Total Minority Women	Women, Minority Business Enterprises (WMBE)	Disabled Veterans Business Enterprises	TOTAL WMDVBE	Total Expenditures
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women						
16. Heavy Construction	\$																										
17. Special Trade Contractors	\$																										
27. Printing and Publishing	\$																										
28. Chemical and Allied Products	\$																										
34. Fabricated Metal Products	\$																										
35. Industrial Machinery and Equipment	\$																										
36. Electronic and Other Electric Equipment	\$																										
38. Instruments and Related Products	\$																										
42. Trucking and Warehousing	\$																										
45. Transportation by Air	\$																										
47. Transportation Services	\$																										
48. Communication	\$																										
50. Wholesale Trade-Durable Goods	\$																										
51. Wholesale Trade-Non-durable Goods	\$																										
52. Eating and Drinking Places	\$																										
53. General Merchandise Stores	\$																										
54. Food Stores	\$																										
55. Automotive Dealers and Services Stations	\$																										
56. Apparel and Accessory Stores	\$																										
57. Furniture and Home Furnishing Stores	\$																										

UTILITY SUPPLIER DIVERSITY PROGRAM PROCUREMENT BY STANDARD INDUSTRY CODE-DETAIL

SIC Category	\$/Hr	Asian				Black				Hispanic				Native-Amer.				Other				Total Minority Men	Total Minority Women	Women, Minority Business Enterprises (WMBE)	Disabled Veterans Business Enterprises	TOTAL WMDVBE	Total Expenditures
		Men	Women			Men	Women			Men	Women			Men	Women			Men	Women								
59. Miscellaneous Retail	\$																										
60. Depository Institutions	\$																										
63. Insurance Carriers	\$																										
64. Insurance Agents, Brokers, and Services	\$																										
70. Hotels and Other Lodging Places	\$																										
72. Personal Services	\$																										
73. Business Services	\$																										
75. Auto Repair, Services and Parking	\$																										
76. Miscellaneous Repair Services	\$																										
80. Health Services	\$																										
81. Legal Services	\$																										
82. Educational Services	\$																										
86. Membership Organizations	\$																										
87. Engineering and Management Services	\$																										
89. Services not Classified Elsewhere	\$																										
92. Justice, Public Order and Safety	\$																										
TOTALS:	\$																										

### 9.1.3. WMDVBE Program Expense

San Gabriel WMDVBE program expenses is estimated to be \$26,500 representing the Purchasing Agent's time spent on external activities.

### 9.1.4. Description of Progress in Meeting or Exceeding Set Goals

Category	Current Year Results	Goal
Minority Business Enterprises (MBE)	8.3 %	15 %
Women Business Enterprises (WBE)	2.5 %	5 %
Service Disabled Veteran Business Enterprises (DVBE)	0.7 %	1.5 %
TOTAL WMDVBE	11.5 %	21.5 %

In 2012, San Gabriel again achieved an increase in both the share of and total dollars of procurement with Commission Clearinghouse-certified WMDVBEs. San Gabriel's procurement in 2012 with WMDVBEs totaled \$ 3,517,388, as detailed in Table 9.1.2, compared to \$3,472,711 in 2011. This equates to 11.5% of the company's total procurement compared to 10.1% in 2011.

### 9.1.5. Summary of Prime Contractor Utilization of WMDVBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Veterans Enterprise (SDVBE)	TOTAL WMDVBE
Direct \$							
Subcontracting \$							
Total \$							

Direct %							
Subcontracting %							
Total %							
Net Procurement:	\$						

### 9.1.6. List of WMDVBE Complaints

San Gabriel did not receive any complaints relative to our USDP.

### 9.1.7 A Summary of Purchases and/or Contracts for Products and Services in Excluded Categories

The Exclusions shown in Table 9.1.2 of \$ 40,659,444 is the total of payments made in the categories of Purchased Water (including leased water), Purchased Power, and Replenishment Fees (pump taxes).

The reporting of these categories as “Exclusions” on Table 9.1.2 by water companies is intended to provide information to the Commission’s Utility Supplier Diversity Program Staff about these categories and to be consistent with the procurement reporting of the energy companies.

This procurement reporting for water companies reflects the results from workshops convened by Staff. These workshops, pursuant to Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), and subsequent discussions, were convened in order for Staff and the water utilities to reach a common understanding of what is to be reported as a result of the amendments to General Order 156.



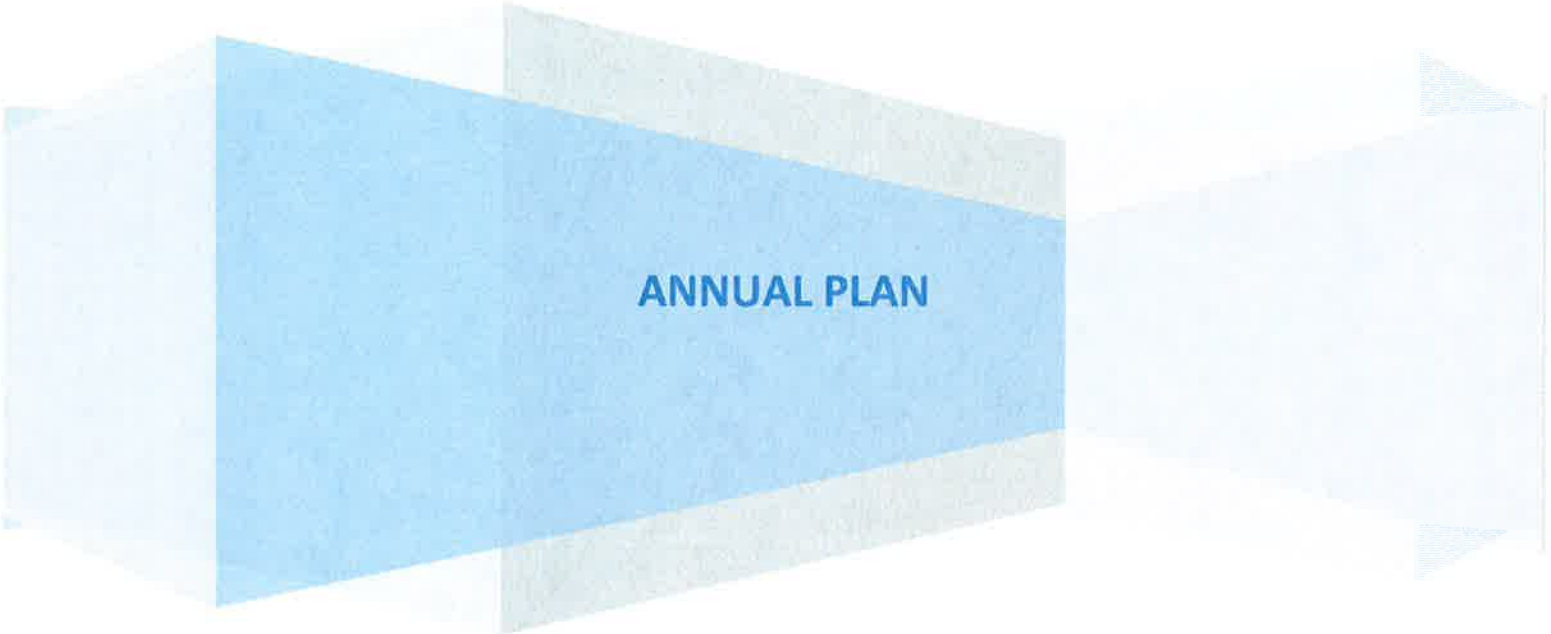
### **9.1.8. Description of Efforts to Recruit WMDVBE Suppliers of Products and Services in Procurement Categories Where WMDVBE Utilization Had Been Low**

San Gabriel expanded its number of WMDVBE contractors to 60 in 2012 from 48 in 2011. We utilized 40 of those contractors in 2012 as compared to 31 in 2011.

These increases were achieved due to San Gabriel's outreach efforts, together with the Water Companies, described in section 9.1.1.

San Gabriel coordinates on a regular basis with other water utilities to exchange information involving qualified vendors and contractors including those in underutilized areas. We attended specialty workshops and provided input on possible solutions to increase utilization of WMDVBEs in areas such as legal and financial services.

San Gabriel Valley Water Company remains committed to the spirit and principles of G.O. 156 and will continue its efforts to recruit WMDVBEs in all procurement areas.



### **10.1.1. WMDVBE Short, Mid and Long Term Goals**

Category	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Owned	9%	12%	15%
Women Owned	3%	4%	5%
Service Disabled Veteran	0.5%	1%	1.5%
Total	12.5%	17%	21.5%

### **10.1.2. Description of WMDVBE Program Activities**

San Gabriel USDP program activities for 2013 will include the following:

- a) Fill the recently authorized USDP Coordinator position
- b) Continue to augment our vendor profiles to include all required information for G.O. 156 reporting
- c) Consider improvements to the diversity page on the company's website
- d) Continue to increase the number of certified WMDVBEs utilized
- e) Continue to increase the dollar amount and percentage procurement with WMDVBEs

### **10.1.3. Plans for Recruiting WMDVBE Suppliers Where WMDVBE Utilization Has Been Low**

San Gabriel will continue to attend outreach events such as the CWA Business Opportunity Fair and network with other water companies to attempt to identify vendors in areas where utilization has been low.

### **10.1.4. Plans for Recruiting WMDVBE Suppliers in any "Excluded Category"**

The only "excluded categories" are Purchased Water and Replenishment Fees from government or quasi-governmental water agencies, and Purchased Power from monopoly utility service providers such as Southern California Edison. As such, there are no WMDVBE suppliers in these excluded categories, and no possibility for recruitment.

#### **10.1.5. Plans for Encouraging Prime Contractors and Grantees to Engage WMDVBES**

San Gabriel's Purchasing Agent and USDP Coordinator will communicate the company's USDP goals to its prime contractors and encourage them to utilize WMDVBES contractors and vendors.

#### **10.1.6. Plans for Complying with WMDVBE Program Guidelines**

San Gabriel remains committed to the principles and spirit of our USDP and compliance with WMDVBE program guidelines.